

3 August 1951

MEMORANDUM FOR: ADD/A (General)

FROM : Comptroller

SUBJECT : Request from Medical Office for Establishment
of Working Fund for Emergency Purposes

1. The attached request has been reviewed and we find that the objective of the Medical Office is to have cash available to meet emergency situations which require immediate hospitalization, treatment, travel, etc. of covert personnel where the use of other than federal government facilities is desirable.

2. It does not appear that a revolving fund of \$10,000 would be required for this purpose. The Medical Office concurs that an allotment and advance of unvouchered funds in the amount of \$1,000 would be sufficient with additional allotments being made from time to time to the extent necessary to maintain a balance of \$1,000. Such advances would be accounted for by the Medical Office upon securing reimbursement under the Employees' Compensation Act, obtaining payment from the individual or his family or by making proper accountings for expenditures under provisions of Public Law 110.

E. R. SAUNDERS

Attachments

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CONFIDENTIAL

Comptroller

3 August 1951

Chief, Budget Division

Request from Medical Office for establishment of Working Fund for emergency purposes

1. I have reviewed the attached and find that the objective of the Medical Office is to have cash available to meet emergency situations arising which require immediate hospitalization, treatment, travel, etc., of covert personnel where the use of other than federal government facilities is desirable.

2. One recent case, I believe, demonstrates the need for the Medical Office to have available funds to meet emergencies of this nature. On a recent Saturday afternoon, a covert employee had a mental breakdown and to protect security it was desirable that he be immediately hospitalized in a private institution. Commitment, however, required a considerable cash advance which was not available to the Medical Office at that time. It was, therefore, necessary to have the patient sent to Gallinger Hospital, requiring legal commitment to a mental institution.

3. It does not appear, however, that an allotment of \$10,000 would be required for this purpose. The Medical Office concurs that an allotment and advance of unvouchered funds in the amount of \$1,000 would be sufficient with additional allotments being made from time to time to the extent necessary to maintain a balance of \$1,000. Such advances would be repaid by the Medical Office upon securing reimbursement either under the Employees' Compensation Act, Public Law 110, or payment by the individual or his family. Such a procedure providing for advances and repayments would be less complicated than the proposed revolving fund under which the Medical Office would use repayments to meet new emergencies.

4. The above, of course, provides only for initial expenses in connection with emergency situations and consideration must be given to the policy of the Agency regarding the extent to which it would be responsible for subsequent expenses involved in cases of this nature. I have been advised that the Medical Office is studying this matter and intends to submit a proposed plan for review. At such time it will be necessary for us to consider the extent to which, if any, additional allotment of funds to the Medical Office for such purposes is necessary.

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